



Cashless Debit Card – trial sites	
Party:	The Coalition
Summary of proposal:  The proposal would reinstate the Cashless Debit Card (CDC) in the trial sites (Ceduna, East Kimberley and the Goldfields) for working-aged welfare recipients.  The proposal would be ongoing and start on 1 July 2025.	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$86.6 million over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered and departmental expenses.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

**Table 1: Cashless Debit Card – trial sites – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-24.0	-20.8	-20.5	-21.3	-86.6
Underlying cash balance	-24.0	-20.8	-20.5	-21.3	-86.6

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- As with other current income management programs, an external service provider would provide all banking services with Services Australia providing all point-of-contact services.
- There would be a one-off establishment cost in the first year paid to an external service provider.
- Average cost per participant would be similar to historical CDC costs, grown by the following assumptions:
  - Departmental costs per CDC participant for Services Australia would grow 6% per year on average, based on the growth rate of income management costs from 2017-18 to 2020-21.
  - Departmental costs per CDC participant for the Department of Social Services (DSS) would decline on average by 1.2% per year, based on the growth rate of income management costs from 2017-18 to 2020-21.

- Administrative costs per CDC participant for the external service provider would decline on average by 1.2% per year, based on the growth rate of income management costs from 2017-18 to 2020-21.
- Departmental costs per CDC participant for the Administrative Appeals Tribunal were grown in line with Wage Cost Index 3 (WCI-3).
- Decrease in DSS and external service provider per person costs is largely due to a reduction in engagement required as the population stabilises.
- Cost per participant would be 30%, 20% and 10% higher respectively in the first 3 years of the policy, to account for communication and consultation costs, and increased demand for customer service during the implementation period of the policy.
- As the CDC population increases, economies of scale would eventuate and costs per participant would drop. Economies of scale were based on historical CDC data between 2017-18 to 2021-22.
  - The per participant cost would be approximately \$2,470 in 2025-26.
- The number of CDC participants would grow in line with the annualised average growth of CDC participants between 2016-17 to 2021-22 for each site.
  - The population in 2025-26 would be approximately 8,600.

## Methodology

The projected number of participants was multiplied by the estimated cost per participant.

- Participant numbers were estimated as per *Key assumptions* and based on historical data provided by Services Australia and DSS.
- The estimated cost per participant was estimated as per *Key assumptions* and based on the forward estimate cost for income management programs provided by Services Australia and historical costs associated with the CDC provided by DSS.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Services Australia provided data regarding income management and Jobseekers.

The Department of Social Services provided data regarding the Cashless Debit Card.

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Cashless Debit Card – trial sites – Financial implications

**Table A1: Cashless Debit Card – trial sites – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Administered</b>													
<i>External service provider</i>	-8.6	-6.0	-6.3	-6.6	-7.0	-7.3	-7.7	-8.1	-8.6	-9.0	-9.5	-27.5	-84.7
<b>Departmental</b>													
<i>Departmental</i>	-15.4	-14.8	-14.2	-14.7	-16.4	-18.3	-20.4	-22.7	-25.4	-28.4	-31.8	-59.1	-222.5
<b>Total (excluding PDI)</b>	<b>-24.0</b>	<b>-20.8</b>	<b>-20.5</b>	<b>-21.3</b>	<b>-23.4</b>	<b>-25.6</b>	<b>-28.1</b>	<b>-30.8</b>	<b>-34.0</b>	<b>-37.4</b>	<b>-41.3</b>	<b>-86.6</b>	<b>-307.2</b>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

**Table A2: Cashless Debit Card – trial sites – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	-0.5	-1.5	-2.5	-3.6	-4.7	-6.0	-7.5	-9.2	-11.0	-13.2	-15.6	-8.1	-75.3
<b>Underlying cash balance</b>	-0.4	-1.3	-2.3	-3.3	-4.4	-5.7	-7.1	-8.7	-10.6	-12.6	-15.0	-7.3	-71.4

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)